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# Bahamas Prime Minister Faces Drug-Corruption Probe

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NASSAU, Bahamas—A political drama is expected to reach a climax here soon when Prime Minister Lynden Pindling takes the witness stand in this country's official investigation into allegations that he and others took payoffs from drug smugglers.

The investigation represents the toughest challenge that Mr. Pindling, 54 years old, has confronted in more than 17 years as head of government. Mr. Pindling could be forced to call early elections; elections currently are scheduled for mid-1987.

The inquiry is being watched closely in Washington. According to U.S. drug enforcement officials, about 50% of *Lynden Pindling* the cocaine and much of the marijuana smuggled into the U.S. from South America comes through the Bahamas, a country of 700 islands in the Caribbean southeast of Florida. "It's a smugglers' paradise," says one U.S. official.

The investigation stems from a Sept. 5 NBC news report alleging that Mr. Pindling and his associates were being paid \$100,000 a month in bribes to protect a drug-smuggling operation headed by fugitive financier Robert Vesco. The television network said its report was based on a U.S. Justice Department intelligence report.

Mr. Pindling vehemently denies the NBC report and appointed a Commission of Inquiry to probe widespread allegations of smuggling and drug-related corruption in the Bahamas. During the past seven months, the commission has heard evidence from about 320 witnesses and taken about 21,000 pages of testimony during 93 days of public hearings. About 20 additional witnesses, including Mr. Pindling, are expected to testify after the commission resumes public hearings tomorrow.

So far in the hearings, Mr. Pindling hasn't been firmly linked to any drug payoffs, although one convicted drug smuggler has testified that he paid \$100,000 to the prime minister through Mr. Vesco. In an unrelated matter, the inquiry has revealed that Mr. Pindling received \$533,000 from a Bahamian businessman for undisclosed interests that Mr. Pindling held in two companies. Mr. Pindling says there wasn't anything untoward about the transaction.



Separately, there has been testimony that the deputy prime minister and two other Cabinet ministers received drug-related payoffs. All three deny wrongdoing. In addition, an undercover Federal Bureau of Investigation agent testified that a member of Parliament from tiny Bimini, the Bahamas island nearest to Florida, took a \$1,000 bribe in return for promises not to hinder a drug deal. And several police officers have been implicated in drug-related payoffs.

Mr. Pindling charged June 29 that the allegations against him were inspired by a U.S. government "disinformation" campaign intended to discredit his administration and drive him out of office. Mr. Pindling said that the U.S. was upset over his refusal to relax Bahamian bank secrecy laws and other matters. The U.S. Embassy in Nassau declined comment on Mr. Pindling's statement.

It isn't certain what the political impact of the inquiry will be. The opposition party is hoping to take advantage of the situation. In an interview, opposition leader Kendal Isaacs said Mr. Pindling has "lost the moral authority to govern. We hope to pressure him into calling an early election."

But Mr. Isaacs concedes that would be difficult, in part because of Mr. Pindling's 32-to-11 majority in the House of Assembly, where the inquiry commission's final report is expected to be debated this fall.

Nonetheless, Mr. Pindling is expected to be questioned heavily about the \$533,000 he received from Nassau businessman Everette Bannister. Mr. Bannister, a lifelong friend of the prime minister, testified that he paid Mr. Pindling the money for shares Mr. Pindling held in Bahamas World Airways, a now-defunct charter airline, and in another company called Bahamas Catering.

Mr. Pindling confirmed testimony that he hadn't put up any money for the shares but said the payment was for time and effort he expended in helping to set up the companies. The prime minister nevertheless is likely to face questioning about whether he declared the payments on his annual financial disclosures, as required by law.

Mr. Bannister testified he paid the prime minister because the original idea for a charter airline was Mr. Pindling's. Mr. Pindling has acknowledged receiving the payments but said there was nothing improper about them.

The only witness to claim he saw Mr. Pindling take a bribe is Timothy Minnig, a convicted marijuana smuggler who is currently awaiting sentencing on U.S. federal

drug charges. Mr. Minnig testified he withdrew \$100,000 from the Bank of Nova Scotia in Nassau in September 1978 and gave it to Mr. Vesco, who in turn handed it to Mr. Pindling. The alleged incident occurred outside what he assumed was Mr. Pindling's home in Nassau, Mr. Minnig testified.

Mr. Minnig testified he was working for a major drug smuggling operation when he met Mr. Vesco, who was also living in the Bahamas at that time. Mr. Minnig said he was afraid that he would soon be indicted on drug charges in the U.S. and wanted assurances he could remain in the Bahamas. "He (Vesco) said that for a million bucks he would get me . . . 'connected' in the Bahamas so that I wouldn't have to worry about extradition," Mr. Minnig testified.

"I said that \$1 million is an awful lot of money," Mr. Minnig continued. According to Mr. Minnig, Mr. Vesco replied, "Well, let's not be crying about a sum like that because it cost me a lot more than that, but I pay over \$100,000 month to the prime minister so I can stay here."

Mr. Pindling has said that the alleged incident described by Mr. Minnig "never took place," adding that in September 1978 he was living in a one-story house, not a two-story house Mr. Minnig described in his testimony. Mr. Pindling suggested that Mr. Minnig made up the story in hopes of getting a more lenient sentence.

Mr. Vesco is wanted by U.S. authorities on charges of looting a mutual fund company he headed of \$224 million. He was kicked out of the Bahamas in 1981 and is currently living in Cuba, according to U.S. officials. Mr. Vesco wasn't available for comment.

In addition to Mr. Pindling, several other high-level government and police officials have been accused in the hearings of taking payoffs. Several of the accusers were drug dealers, but in one case the accusations came from an undercover FBI agent.